

Digital Distribution™

Module 1 – The Formula is Broken

Distribution has changed forever

As an asset manager, you may be facing many challenges. First, you probably have an external sales team that's having difficulty scheduling appointments with advisors. Your internal sales team is probably frustrated with the number of voicemails that they leave every day.

20 years ago, when I was managing a sales desk, the formula was easy. I knew that for every 50-60 dials an internal made, they'd connect with 15 advisors, have good conversations with half of them, and schedule 2 or 3 appointments as a result.

Today, it takes over 100 dials to schedule one appointment.

And while our sales teams are facing these headwinds, as an organization, you're facing your own:

- You have more competition
- The cost for distribution is rising
- The fees for your products are compressing, and so are your margins

While the solution to these problems isn't simple, there's a simple explanation, the world has changed. Today we have information at our fingertips and so as a business, you have to think differently about how you engage your future clients. Because your future clients are spending more and more time online:

- 7 hours a day, on average
- 2.5 hours of that is spent on social media
- 52% of that time is spent on a mobile device

And what are they doing?

Digital Distribution is the new reality

They're researching and searching for answers to their questions. There are 63,000 Google searches done per second, and over 5 billion Google searches done per day -- which has completely changed how consumers, buyers, and investors interact with companies and products. With more and more information at our fingertips, the buying and decision-making process is completely different than it was 20, 10, or even 5 years ago.

Think back to what it was like to buy a car 20 years ago, it usually started by going from one dealership to the next dealership, to the next dealership, where you would test drive multiple cars. The salesperson would sit next to you in the passenger seat and tell you about all the features of that particular car. You would do this over and over and over again until you made the decision on what car you wanted to buy -- and then, the negotiation process started. The salesperson would sit across the desk from you. They'd write a number on the sheet of paper, and then they would turn that sheet of paper around, and you knew to nod "no."

At which point, they would go talk to their manager in the back room, who had a magical calculator, and come back 20 minutes later with another number, and this would go on until you were ready to walk out. At which point, they would come back with their final and best price.

Now compare that to what it's like to buy a car today.

When you buy a car today, you do your research online. In fact, you probably build your car online. You go to YouTube and you watch other people test drive the car. You read reviews and comparisons and articles about which car is the best car in a particular category. Then, when you decide which car to buy, you build it online, and you hit print, and you head over to the dealership, where you hand the salesperson that sheet of paper, and say, "I know that you've got this car, I know that you have it in stock, I know that you're selling it for \$50,000 -- if you give it to me for 48, I'll buy it today."

That's what the sales process looks like in a digital world.

And here is the thing, it doesn't matter what you are buying, the process is similar whether it is a car, a watch, a vacation, a house, a pair of shoes, or a client is making sure they have enough money for retirement. With information at our fingertips, consumers, buyers, and investors have the power, and the single most important number to understand is 71%, because today, when a person is seeking a solution to their problem, they are 71% of the way through the sales process before they ever talk to a salesperson!

Just think back to that last example of buying a car. Before we ever walked into the dealership, much of the sales process happened digitally. Now think about your marketing and sales plans:

- Are they designed so that your marketing team is educating your prospects on how to solve their problems through unbiased thought leadership, getting them 71% through the sales process?
- Are your sales teams focused on helping those prospects that have already started to educate themselves?
- Are your sales teams cold calling and cold emailing random contacts in your CRM, in order to hit a sales activity goal, while your marketing teams pepper these same contacts with fact sheets and blast emails about how great your performance is?

In my experience working with hundreds of asset management firms, I find that the latter is much more common. So, asset managers who understand that providing a digital-first experience is key to their sales and marketing efforts will become the sponsors of choice.

Fortunately, there's a model for how to do that. And we call it Digital Distribution™. Digital Distribution combines a sales and marketing process that aligns with how buyers make decisions today, along with the technology you need to execute, and the people required to successfully implement this strategy!